

STATE OF IOWA  
PROPERTY ASSESSMENT APPEAL BOARD

**Gary Reed,**  
Appellant,

**v.**

**Dallas County Board of Review,**  
Appellee.

**ORDER**

**Docket No. 14-25-0053**  
**Parcel No. 12-25-333-010**

On December 3, 2014, the above-captioned appeal came on for hearing before the Property Assessment Appeal Board. The appeal was conducted under Iowa Code section 441.37A(2) and Iowa Administrative Code rules 701-71.21(1) et al. Gary Reed was self-represented. Dallas County Attorney Wayne Reisetter is counsel for the Board of Review; and County Assessor Steve Helm represented it at hearing. The Appeal Board having reviewed the record, heard the testimony, and being fully advised finds:

***Findings of Fact***

Gary Reed is the owner of residentially classified property located at 15068 Buena Vista Drive, Clive, Iowa. It is a one-story house with 1873 square feet of living area and a full, unfinished walkout basement. Additionally, it has a deck, patio, and three-car, attached garage. The site is 0.22 acres.

Reed protested to the Board of Review regarding the 2014 assessment of \$297,530, allocated as \$55,000 in land value and \$242,530 in improvement value. This was a change in value from the previous assessment, thus making all grounds available for protest under section 441.37(1)(a)(1). Reed claimed the property's assessment was not equitable as compared with assessment of other like property; that it was assessed for more than the value authorized by law; and that there was an error in the assessment under sections 441.31(1)(a)(1)(a), (b), and (d). He asserted the correct value was

\$275,000, allocated as \$50,000 in land value and \$225,000 in improvement value. The Board of Review denied his claim.

Reed then appealed to this Board. His evidence and testimony at hearing before this Board was related only to his over-assessment claim; and therefore, this is the only claim we will consider.

To support his claim of over assessment, Reed submitted four sales and one active listing he considered comparable to his property. (Exhibits 1-4.5).

| Property Address     | Sale Date | Sale Price | Reed's Adjusted Value |
|----------------------|-----------|------------|-----------------------|
| 2711 NW 157th St     | Feb-14    | \$280,000  | \$275,135             |
| 780 SE Bobwhite Ln   | Jul-13    | \$270,000  | \$256,570             |
| 3207 146th St        | Dec-13    | \$266,000  | \$250,680             |
| 15819 Monroe Ct      | Dec-13    | \$265,000  | \$295,325             |
| 540 SE Rosenkranz Dr | Listing   | \$274,900  | N/A                   |

All of Reed's comparable properties are located in Dallas County and the Waukee School District. Reed is a Realtor and used a "contributory value figures" chart that he obtained from Iowa Realty to make adjustments to the properties he selected. (Exhibit 6). Reed testified that he relies on this form to make adjustments when he performs a market analysis for a property; and that the chart is developed with assistance from local appraisers. He adjusted the properties for differences in size, basement finish, and other amenities such as decks, security systems, and walkout lower levels.

Reed explained that 2711 NW 157th Street is the most recent sale he found, and he gave it the most consideration in his analysis. Assessor Steve Helm testified that this property backs directly to 156th Street, one of the busiest streets in the area but Reed made no adjustment for location. Reed countered, however, that this property has a lot size nearly twice as large as the subject property's and he believed the lot size would offset any location adjustment.

Reed's second comparable (780 SE Bobwhite Lane) has four bedrooms compared to the subject's three bedrooms, and he states he did not make any downward adjustments for that factor,

which would then indicate an even lower adjusted value for the comparable. One of the bedrooms is in the basement, however, and Reed did adjust for basement finish. Therefore, we find his analysis reflects an adjustment for this additional bedroom despite his assertion to the contrary.

Reed's third comparable (3207 146th Street) is "one minute" from his house. He noted that he made no adjustment for its wood privacy fence; however, we note this item is would not typically require a significant adjustment if any at all. Helm noted this property was vacant at time of sale, but Reed does not believe this would have affected the value. There is no other information in the record explaining why this property was vacant or if it could have affected the sale price.

Reed's final comparable sale (15819 Monroe Court) also has a fourth bedroom and additional bath area that he states he did not adjust downward. Like the property at 780 SE Bobwhite Lane, we note these features are in the lower level, which received an adjustment.

Reed also provided an active listing, which he asserts has many superior features as compared to his property but has a list price less than his assessed value. Regardless, he did not adjust this listing and we do not consider it.

We note Reed did not make any quality adjustments to the sales he selected. Several of Reed's sales also have inferior exterior features such as lower quality rooflines, window packages, and garage door features. In Reed's opinion, all the builders are similar to his, but he acknowledged he did not provide any sales built by his builder, Fleetwood Homes.

Reed also failed to make any adjustments for location. When questioned about this lack of adjustment, he explained he felt it was unnecessary because his sales were "all within three miles" of his property. Further, he asserts there was minimal difference between his neighborhood values and the values of the neighborhoods in which his comparable properties are located.

The Board of Review also questioned Reed regarding his selection criteria. Reed explained he looked for one-story homes within 2-3 miles of his property that had similar size and were within 5-7

years of age. Reed also admitted his search included a criterion for sales price and he capped the value at \$300,000. Reed asserts capping the sales price was reasonable because that over \$300,000, the sales were new construction and he did not believe they were comparable.

Reed additionally testified that he had listed his home as a “pocket listing” on several occasions for \$280,000. He stated that buyers told him they could buy the same house for less money, but with a finished basement and a better back yard. He submitted a picture of his back yard to show that it has minimal functional utility due to a rock drainage ditch that extends the length of his street. (Exhibit 8).

Helm testified he does not believe the sales Reed offered are reasonably comparable to the subject property. First, he noted the original sales prices of two of Reed’s comparables were significantly less than Reed’s purchase price. In Helm’s opinion, it demonstrates they are not similar properties.

|                    | Original Sale Price | Original Sale Date | Current Sale Price | Current Sale Date |
|--------------------|---------------------|--------------------|--------------------|-------------------|
| Subject            | \$322,000           | 2007               | N/A                | N/A               |
| 780 SE Bobwhite Ln | \$220,000           | 2009               | \$270,000          | 2013              |
| 15819 Monroe Ct    | \$260,000           | 2008               | \$265,000          | 2013              |

Although the evidence is limited, when their original sales prices were \$60,000 to \$100,000 less than the subject property’s sales price in roughly the same timeframe, it is reasonable to assume the properties are not comparable or have some distinct differences that explain the disparity.

Helm also testified that home sales in the subject’s development, Deer Ridge West, have higher predominant values compared to the neighborhoods that Reed considered. The following chart summarizes Helm’s testimony.

| Subdivision                     | Approximate total properties | Sales in last year | Range of sale prices            |
|---------------------------------|------------------------------|--------------------|---------------------------------|
| Deer Ridge West (Subject)       | 80                           | 11                 | \$270,000 - \$400,000           |
| Country Club Glen (NW 157th St) | 30                           | 5                  | \$235,000 to \$289,900          |
| Winfield (Bobwhite Ln)          | 260                          | 31                 | Only 4 sold over \$250,000      |
| Berkshire Estates (Monroe Ct)   | not provided                 | 16                 | 14 sold for less than \$300,000 |

Of the eleven sales that occurred in the subject's neighborhood, Helm noted ten sold for *more than* \$300,000. In Helm's opinion, this demonstrates the neighborhoods in which Reed's comparable properties are located are inferior in overall values to the subject's neighborhood.

Helm further testified there were very few sales of one-story, walkout homes with no basement finish. For that reason, the Board of Review submitted two sales that occurred after the January 1, 2014, assessment date to support the subject's current assessment. (Exhibits A & B). A property located 8924 Golf Circle that sold for \$292,000 in September 2014. In Helm's opinion, it is very similar to Reed's property. Additionally, the property located at 16840 Tanglewood sold for \$315,900 as a new construction dwelling. Neither of these sales had adjustments for differences and we give them no consideration.

### ***Conclusion of Law***

The Appeal Board has jurisdiction of this matter under Iowa Code sections 421.1A and 441.37A. This Board is an agency and the provisions of the Administrative Procedure Act apply. Iowa Code § 17A.2(1). This appeal is a contested case. § 441.37A(1)(b). The Appeal Board determines anew all questions arising before the Board of Review, but considers only those grounds presented to or considered by the Board of Review. §§ 441.37A(3)(a); 441.37A(1)(b). New or additional evidence may be introduced. *Id.* The Appeal Board considers the record as a whole and all of the evidence regardless of who introduced it. § 441.37A(3)(a); *see also Hy-vee, Inc. v. Employment Appeal Bd.*, 710 N.W.2d 1, 3 (Iowa 2005). There is no presumption the assessed value is correct.

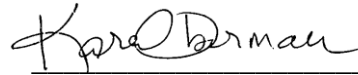
§ 441.37A(3)(a). However, the taxpayer has the burden of proof. § 441.21(3). This burden may be shifted; but even if it is not, the taxpayer may still prevail based on a preponderance of the evidence. *Id.*; *Richards v. Hardin County Bd. of Review*, 393 N.W.2d 148, 151 (Iowa 1986).

In Iowa, property is to be valued at its actual value. Iowa Code § 441.21(1)(a). Actual value is the property's fair and reasonable market value. § 441.21(1)(b). Market value essentially is defined as the value established in an arm's-length sale of the property. *Id.* Sale prices of the property or comparable properties in normal transactions are to be considered in arriving at market value. § 441.21(1)(b). If sales are not available to determine market value then "other factors," such as income and/or cost, may be considered. § 441.21(2). The property's assessed value shall be one hundred percent of its actual value. § 441.21(1)(a).

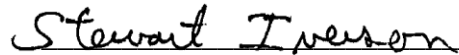
In an appeal alleging the property is assessed for more than the value authorized by law under section 441.37(1)(a)(1)(b), the taxpayer must show: 1) the assessment is excessive and 2) the subject property's correct value. *Boekeloo v. Bd. of Review of the City of Clinton*, 529 N.W.2d 275, 277 (Iowa 1995). Reed submitted four sales that he adjusted for some differences as compared to the subject property. However, he did not adjust these sales for differences in quality or location and the Board of Review pointed out differences related to these factors between the sales and subject property. We find the evidence suggests there are neighborhood and quality of construction costs differences between the comparable properties and the subject that render Reed's analysis unreliable. The evidence suggests the properties Reed selected are not truly comparable, or at the least require additional adjustments to make them reliable indicators of value for the subject property. Further, because Reed selected sales, in part, based on a capped sale price not to exceed \$300,000, we find his conclusion of value to be unreliable as it may artificially predetermine a value.

THE APPEAL BOARD ORDERS the 2014 assessment of Gary Reed's property located at 15068 Buena Vista Drive, Clive, Iowa, set by the Dallas County Board of Review, is affirmed.

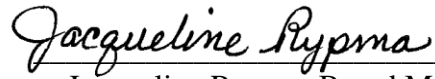
Dated this 16th day of January, 2015.



Karen Oberman, Presiding Officer



Stewart Iverson, Board Chair



Jacqueline Rypma, Board Member

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